

LEGISLATURE OF NEBRASKA
NINETY-EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1092

Introduced by Speaker Bromm, 23; at the request of the Governor

Read first time January 15, 2004

Committee: Appropriations

A BILL

- 1 FOR AN ACT relating to the Deferred Building Renewal Act; to amend
- 2 sections 81-188.01, 81-188.02, 81-188.04, and 81-188.06,
- 3 Reissue Revised Statutes of Nebraska; to change funding
- 4 provisions; to repeal the original sections; and to
- 5 declare an emergency.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 81-188.01, Reissue Revised Statutes
2 of Nebraska, is amended to read:

3 81-188.01. (1) The State Building Renewal Assessment
4 Fund is created. The fund shall be under the control of the
5 Governor for allocation to building renewal projects of the various
6 agencies and shall be administered in a manner consistent with the
7 administration of the Building Renewal Allocation Fund pursuant to
8 the Deferred Building Renewal Act. No amounts accruing to the
9 State Building Renewal Assessment Fund shall be expended in any
10 manner for purposes other than as provided in this section or as
11 appropriated by the Legislature to meet the cost of administering
12 the act.

13 (2) Revenue credited to the fund shall include amounts
14 derived from charges assessed pursuant to subdivision (6)(b) of
15 section 81-1108.17, depreciation charges remitted pursuant to
16 section 81-188.02, and such other revenue as may be incident to the
17 administration of the fund.

18 (3) Amounts appropriated from the fund shall be expended
19 to conduct renewal work as defined in section 81-173 and to
20 complete other improvements incident to such renewal work as deemed
21 necessary or appropriate by the task force. From amounts accruing
22 to the fund as the result of depreciation charges assessed pursuant
23 to subdivision (6)(b) of section 81-1108.17, expenditures for
24 capital improvements shall be limited to improvements to only those
25 facilities for which such charges have been assessed and remitted.
26 From amounts accruing to the fund as the result of depreciation
27 charges assessed pursuant to section 81-188.02, expenditures for
28 capital improvement projects shall be limited to exclude (a)

1 capital improvement projects relating to facilities, structures, or
2 buildings owned, leased, or operated by the (i) University of
3 Nebraska, (ii) Nebraska state colleges, (iii) Department of
4 Aeronautics, (iv) Department of Roads, (v) Game and Parks
5 Commission, or (vi) Board of Educational Lands and Funds and (b)
6 capital improvement projects relating to facilities, structures, or
7 buildings for which depreciation charges are assessed pursuant to
8 subdivision (6)(b) of section 81-1108.17. For each fiscal year,
9 task force allocations from amounts accruing to the fund pursuant
10 to section 81-188.02 shall not exceed the total of such revenue
11 credited to the fund in the preceding fiscal year, except that if
12 no revenue from depreciation charge assessments was credited to the
13 fund in the preceding fiscal year, allocations shall not exceed
14 fifty percent of revenue credited to the fund in the last preceding
15 fiscal year in which depreciation charge assessments were credited
16 to the fund.

17 (4) Any money in the fund available for investment shall
18 be invested by the state investment officer pursuant to the
19 Nebraska Capital Expansion Act and the Nebraska State Funds
20 Investment Act.

21 ~~(5) The State Treasurer shall transfer one million nine~~
22 ~~hundred forty-seven thousand one hundred dollars from the State~~
23 ~~Building Renewal Assessment Fund to the Nebraska Capital~~
24 ~~Construction Fund within five days after January 1, 2003.~~

25 ~~(6) The State Treasurer shall transfer one million nine~~
26 ~~hundred forty-seven thousand one hundred dollars from the State~~
27 ~~Building Renewal Assessment Fund to the Nebraska Capital~~
28 ~~Construction Fund within five days after May 1, 2003.~~

1 Sec. 2. Section 81-188.02, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 81-188.02. (1) For purposes of this section, capital
4 improvement project means (a) construction of a new facility,
5 structure, or building, (b) construction of additions to an
6 existing facility, structure, or building, (c) renovation of an
7 existing facility, structure, or building if the total project cost
8 of such renovation represents not less than fifteen percent of the
9 value of the existing facility, structure, or building as
10 determined by the Department of Administrative Services, (d)
11 purchase of an existing facility, structure, or building, and (e)
12 acquisition of a facility, structure, or building through means of
13 conveyance other than sale and purchase.

14 (2) Beginning with the fiscal year that commences
15 subsequent to the calendar year in which has occurred substantial
16 completion of a capital improvement project as defined in
17 subdivisions (1)(a) through (1)(c) of this section or acquisition
18 of a capital improvement project as defined in subdivisions (1)(d)
19 and (1)(e) of this section, the department shall assess a capital
20 improvement depreciation charge to the agency maintaining ownership
21 or control of the related facility, structure, or building and
22 shall assess such charge for each fiscal year thereafter, except
23 that no depreciation charges shall be assessed or paid pursuant to
24 this section for the period beginning July 1, 2003, and ending June
25 30, ~~2004~~ 2005, and depreciation charges in the amount of one-half
26 of the amount otherwise assessed pursuant to this section shall be
27 assessed and paid for the period beginning July 1, ~~2004~~ 2005, and
28 ending June 30, ~~2005~~ 2007.

1 (3) The annual depreciation charge for a capital
2 improvement project as defined in subdivisions (1)(a) through
3 (1)(c) of this section shall be computed as two percent of the
4 total project cost of the capital improvement project. The annual
5 depreciation charge for a capital improvement project as defined in
6 subdivision (1)(d) of this section shall be computed as two percent
7 of the greater of the purchase price or the value, as determined by
8 the department, of the capital improvement project at the time of
9 acquisition. The annual depreciation charge for a capital
10 improvement project as defined in subdivision (1)(e) of this
11 section shall be computed as two percent of the value, as
12 determined by the department, of the capital improvement project at
13 the time of acquisition. The department may assess the charge
14 annually or in monthly, quarterly, or semiannual installments.

15 (4) Depreciation charges shall not be assessed pursuant
16 to this section for capital improvement projects relating to
17 facilities, structures, or buildings owned, leased, or operated by
18 the: (i) University of Nebraska; (ii) Nebraska state colleges;
19 (iii) Department of Aeronautics; (iv) Department of Roads; (v) Game
20 and Parks Commission; or (vi) Board of Educational Lands and Funds
21 or to other buildings or grounds owned, leased, or operated by the
22 State of Nebraska which are specifically exempted by the Department
23 of Administrative Services because the assessment of such
24 depreciation charges would result in the ineligibility for federal
25 funding or would result in hardship on an agency, board, or
26 commission due to other exceptional or unusual circumstances.
27 Depreciation charges shall not be assessed pursuant to this section
28 for capital improvement projects relating to facilities,

1 structures, or buildings of which the department is custodian
2 pursuant to section 81-1108.17 and for which charges are assessed
3 pursuant to subdivision (6)(b) of such section.

4 (5) Payment of depreciation charges assessed pursuant to
5 this section shall be remitted to the State Treasurer for credit to
6 the State Building Renewal Assessment Fund.

7 Sec. 3. Section 81-188.04, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 81-188.04. (1) For purposes of this section, capital
10 improvement project means (a) construction of a new facility,
11 structure, or building, (b) construction of additions to an
12 existing facility, structure, or building, (c) renovation of an
13 existing facility, structure, or building if the total project cost
14 of such renovation represents not less than fifteen percent of the
15 value of the existing facility, structure, or building as
16 determined by the Department of Administrative Services, (d)
17 purchase of an existing facility, structure, or building, and (e)
18 acquisition of a facility, structure, or building through means of
19 conveyance other than sale and purchase.

20 (2) Beginning with the fiscal year that commences
21 subsequent to the calendar year in which has occurred substantial
22 completion of a capital improvement project by the University of
23 Nebraska as defined in subdivisions (1)(a) through (1)(c) of this
24 section or acquisition of a capital improvement project by the
25 University of Nebraska as defined in subdivisions (1)(d) and (1)(e)
26 of this section, the department shall assess a capital improvement
27 depreciation charge to the Board of Regents of the University of
28 Nebraska and shall assess such charge for each fiscal year

1 thereafter, except that no depreciation charges shall be assessed
2 or paid pursuant to this section for the period beginning July 1,
3 2003, and ending June 30, ~~2004~~ 2005, and depreciation charges in
4 the amount of one-half of the amount otherwise assessed pursuant to
5 this section shall be assessed and paid for the period beginning
6 July 1, ~~2004~~ 2005, and ending June 30, ~~2005~~ 2007.

7 (3) The annual depreciation charge for a capital
8 improvement project as defined in subdivisions (1)(a) through
9 (1)(c) of this section shall be computed as two percent of the
10 total project cost of the capital improvement project. The annual
11 depreciation charge for a capital improvement project as defined in
12 subdivision (1)(d) of this section shall be computed as two percent
13 of the greater of the purchase price or the value, as determined by
14 the department, of the capital improvement project at the time of
15 acquisition. The annual depreciation charge for a capital
16 improvement project as defined in subdivision (1)(e) of this
17 section shall be computed as two percent of the value, as
18 determined by the department, of the capital improvement project at
19 the time of acquisition. The department may assess the charge
20 annually or in monthly, quarterly, or semiannual installments.

21 (4) Depreciation charges shall not be assessed pursuant
22 to this section for capital improvement projects relating to
23 facilities, structures, or buildings from which revenue is derived
24 and pledged for the retirement of revenue bonds issued under
25 sections 85-403 to 85-411.

26 (5) Payment of depreciation charges assessed pursuant to
27 this section shall be remitted to the State Treasurer for credit to
28 the University Building Renewal Assessment Fund.

1 Sec. 4. Section 81-188.06, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 81-188.06. (1) For purposes of this section, capital
4 improvement project means (a) construction of a new facility,
5 structure, or building, (b) construction of additions to an
6 existing facility, structure, or building, (c) renovation of an
7 existing facility, structure, or building if the total project cost
8 of such renovation represents not less than fifteen percent of the
9 value of the existing facility, structure, or building as
10 determined by the Department of Administrative Services, (d)
11 purchase of an existing facility, structure, or building, and (e)
12 acquisition of a facility, structure, or building through means of
13 conveyance other than sale and purchase.

14 (2) Beginning with the fiscal year that commences
15 subsequent to the calendar year in which has occurred substantial
16 completion of a capital improvement project by the Nebraska state
17 colleges as defined in subdivisions (1)(a) through (1)(c) of this
18 section or acquisition of a capital improvement project by the
19 Nebraska state colleges as defined in subdivisions (1)(d) and
20 (1)(e) of this section, the department shall assess a depreciation
21 charge to the Board of Trustees of the Nebraska State Colleges and
22 shall assess such charge for each fiscal year thereafter, except
23 that no depreciation charges shall be assessed or paid pursuant to
24 this section for the period beginning July 1, 2003, and ending June
25 30, ~~2004~~ 2005, and depreciation charges in the amount of one-half
26 of the amount otherwise assessed pursuant to this section shall be
27 assessed and paid for the period beginning July 1, ~~2004~~ 2005, and
28 ending June 30, ~~2005~~ 2007.

1 (3) The annual depreciation charge for a capital
2 improvement project as defined in subdivisions (1)(a) through
3 (1)(c) of this section shall be computed as two percent of the
4 total project cost of the capital improvement project. The annual
5 depreciation charge for a capital improvement project as defined in
6 subdivision (1)(d) of this section shall be computed as two percent
7 of the greater of the purchase price or the value, as determined by
8 the department, of the capital improvement project at the time of
9 acquisition. The annual depreciation charge for a capital
10 improvement project as defined in subdivision (1)(e) of this
11 section shall be computed as two percent of the value, as
12 determined by the department, of the capital improvement project at
13 the time of acquisition. The department may assess the charge
14 annually or in monthly, quarterly, or semiannual installments.

15 (4) Depreciation charges shall not be assessed pursuant
16 to this section for capital improvement projects relating to
17 facilities, structures, or buildings from which revenue is derived
18 and pledged for the retirement of revenue bonds issued under
19 sections 85-403 to 85-411.

20 (5) Payment of depreciation charges assessed pursuant to
21 this section shall be remitted to the State Treasurer for credit to
22 the State College Building Renewal Assessment Fund.

23 Sec. 5. Original sections 81-188.01, 81-188.02,
24 81-188.04, and 81-188.06, Reissue Revised Statutes of Nebraska, are
25 repealed.

26 Sec. 6. Since an emergency exists, this act takes effect
27 when passed and approved according to law.